

~~CONFIDENTIAL/US OFFICIALS ONLY~~

F 10364
Ref. 13 Aug 54

COUNTRY: India

CIA

SUBJECT: Controlled Liberalization of Imports/Trade
With Communist Countries

DATE ACQUIRED: July 54

This unevaluated information for US Officials
Only is supplied for the possible interest of
your analysis. It does not warrant dissemination.

25X1A2g

DATE OF
INFORMATION:

1954

earlier

25X1A2g

Clea - 8/89

SOURCE:

25X1X6

25X1X6

1. The process of gradual liberalization of imports which began two years ago, is continued in the government of India's new import policy for July-December 1954. The comfortable foreign exchange position has, in the main, encouraged the government to extend its policy of liberalization. India's trade deficit for 1953-54 narrowed down to Rs 218 million from Rs 760 million in the previous year and the balance of payments in 1953 shows a sizeable surplus for Rs 570 million as against a nominal surplus of Rs 17 million in 1952. The absence of any drastic changes during the last two years has brought the import policy to comparative stability.
2. "Import quotas of 60 items have been moderately stepped up. They include certain chemicals, industrial exhaust fans, compressors, centrifugal pumps of certain types, cotton fabrics and raw materials for the plastic industry. More imports of these items are considered necessary in the interest of Indian industry. Secondly, licences will be issued liberally in respect of 42 items. These are items on which there are high duties and they include certain ferro-compounds, powdered milk and condensed milk, oil crushing and refining machinery, refrigeration and air-conditioning machinery and trailer pumps. Thirdly, for determining the best years of imports, the basic period has been extended to cover 1952-53 in respect of a further 19 items. Fourthly, the government has specified a list of 38 items for which supplementary licenses will be granted to established importers over their prescribed quotas. The items in this list included marine type diesel engines; parts of motors; generating sets of types not covered by G G L; jute and hemp machinery; prime movers, boilers, locomotive engines etc; printer's ink and tractors. Liberalization has been extended to the sphere of procedure also. The scope for small importers has been widened and newcomers have been given a larger field. These facilities are intended to increase employment.

~~CONFIDENTIAL/US OFFICIALS ONLY~~

AUG 26 1954

~~CONFIDENTIAL~~/US OFFICIALS ONLY

3. "An Indian trade delegation is expected to leave for Moscow in September to study Soviet industry, trade and commerce. An Indian railway delegation will also go to Russia shortly for the study of the railway system in that country. Many East European countries are understood to be exploring the prospects of improving trade with India. On June 17, a trade pact was concluded in New Delhi between India and Hungary. The leader of a Czech trade delegation now touring India has expressed hope that the recently concluded trade agreement between India and Czechoslovakia would lead to a mutually advantageous exchange of goods."

-end-

TYPE ACT-DATE INFO-TFR-DATE AREA

34 2

~~CONFIDENTIAL~~/US OFFICIALS ONLY